Not Just an Inferior Virtue, nor Self-Interest: Adam Smith on Prudence

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Abstract

This paper focuses on the treatment of prudence by Adam Smith. Smith was one of the few philosophers to conceive of it as a moral virtue. Smithian prudence is the care of one's own happiness that is limited and ennobled, respectively, by the sense of justice and self-command. A reconstruction of Smith's view of prudence helps to clarify three central points in his thought: the interaction between the agent's economic and moral dimensions, the relationship between the self and the other, and the dialectical tension between partiality and impartiality. Furthermore, Smithian prudence is important, in itself, as an approach to the above-mentioned points that is still viable. These three points are recurrent crucial issues in the history of ethics.

Key words

Adam Smith, prudence, impartiality, economic agent, moral agent, self-other relationship

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Introduction

In moral philosophy the case of prudence as a virtue is a peculiar one. In classical ethics, it was one of the cardinal virtues, along with justice, temperance, and fortitude. However, only prudence was to lose its characterisation as a virtue in the modern era, around the sixteenth and seventeenth centuries (Den Uyl 1991: 1-2, 15). Adam Smith was one of the last philosophers to consider prudence as a moral virtue.[1] After Smith, prudence declined into *Klugheit* or *cleverness* (Kant [1785] 2006: sec. II: 27).

Today, the common and more general meaning of prudence is long-sightedness, that is, the consideration of the effects our actions may have in the future. Prudence has also acquired the narrower meaning of long-sighted or enlightened self-interest

(Bykvist 2013: 4180). When prudence is understood in the latter meaning, it becomes very similar to the rational behaviour typical of a self-interested economic agent and ceases to be a virtue in any possible sense.

The change in the meaning of prudence in the history of philosophy is also mirrored in the differing positions that appear in Adam Smith scholarship, where prudence has often been either misunderstood as tantamount to self-interest and self-love, or simply overlooked. On the one hand, several scholars of Smith's ethics consider prudence a minor topic, as Smith allegedly defines it as an inferior virtue, and they focus more on the virtues of justice, self-command, and beneficence. For example, Vivienne Brown states that, although Smith considers prudence a virtue, it is not a truly moral virtue because it is not subject to the dialogic relation between the moral agent and the impartial spectator, which means that prudent actions do not require the agent to change place with the impartial spectator (Brown 1994: 25, 33-34, 46). Other scholars of Smith's ethics give more importance to prudence within his system of ideas. However, their views of Smith's prudence are not consistent with several crucial features of his treatment of it. I go on to show this when discussing Ryan Hanley's identification of Smith's prudence with a low form of self-love and Douglas Den Uyl's thesis that prudence is incompatible with the care for others and impartiality. On the other hand, several scholars of Smith's economic thought equate prudence with a clever self-interested motive for action. For instance, George Stigler assumes that prudence is self-interest without demonstrating this identification (Stigler 1971: 265); Samuel Hollander contends that prudence is a synonym of self-love, which is, itself, a synonym of self-interest (Hollander 1977: 138-139).

Unlike these approaches, in this paper I argue that prudence is a crucial topic for anybody who wants to make sense of Smith's system of ideas and I correctly position prudence within Smith's system of ideas. Prudence is fundamental to understanding Smith's thought for two reasons: First, prudence is the factor that overcomes two types of opposition that every moral theory has to face, namely the opposition between the self and the other, and that between partiality and impartiality. Second, prudence is an overarching norm of conduct for the agent's moral and economic decision-making. This means that prudence avoids the division of the agent into a moral agent and an economic actor who have little in common.

Smith's view of prudence not only has to be taken into account in order to clarify several crucial questions emerging from his system; it is also interesting in itself for

its impact on ethical theory for two motives. The first is that Smith's view of prudence contributes to the discussion about what a moral theory can require from the moral agent – that is, what the individual owes to herself and to other people − and to the discussion about what type of impartiality a moral theory can demand. The second motive is that Smith's prudence contributes to the debate on the relation between the moral and the economic sides of the agent.

1. Smith's view of prudence

1.1 The definition of prudence in Part VI of The Theory of Moral Sentiments

Smith deals extensively with the virtue of prudence in the first section of Part VI, which he added to the sixth edition of *The Theory of Moral Sentiments* (TMS), published in May, 1790. A shorter description of prudence features in the first edition of 1759 (TMS IV.2.6: 189)[2] and in the draft of the TMS that was written in the 1750s (Vivenza 2001: 54).

Smith starts Part VI by focusing on what he calls *inferior prudence* and defines it as 'The care of the health, of the fortune, of the rank and reputation of the individual, the objects upon which his comfort and happiness in this life are supposed principally to depend' (TMS VI.i.5: 213).[3] Prudence is a *self-regarding* or *self-centred virtue* because its objects are one's own personal interests and well-being, which are part of happiness. According to Smith, material goods − named the 'advantages of our external fortune' − are pursued because they constitute means for self-preservation (TMS VI.i.2-3: 212). In addition, since one of the strongest human desires is to be praised, and reputation and rank in society partly depend on the possession of material goods, humans also pursue material goods in order to be regarded by others (TMS VI.i.3: 212-213).[4] Credit among peers also depends on the individual's character and conduct (TMS VI.i.4: 212-213), thus a virtuous behaviour represents another source of good reputation.

1.2 Prudence and its relation to Smith's moral psychology, justice, and self-command

In order to understand Smith's prudence, this virtue needs to be viewed against the background of his moral psychology and compared with two other items in his catalogue of virtues, namely justice and self-command.

According to Smith, the individual is fitter and abler to take care of herself, and of the objects of prudence, than of other people (TMS VI.ii.1.1: 219) because she feels her emotions directly, whereas she can only imagine the sensations of others. However, there is a psychological mechanism that enables human beings to overcome the separation of their bodies: *sympathy* (TMS I.i.1.2: 9). Sympathy is defined by Smith as the fellow-feeling with an agent's passions, and it is experienced by the individual who is observing the agent (TMS I.i.1.5: 10) – called observer or spectator – through an imaginary change of place between the spectator and the agent (TMS I.i.1.2: 9; VII.iii.1.4: 317). When the spectator changes places with the agent, two reactions can occur: She feels either a similar or a different emotion to that of the agent. In the first case, the spectator necessarily considers the agent's emotion as just, proper, and she approves of it.[5] If the spectator does not find a similarity between her emotion and the agent's, she considers the agent's emotion unjust, improper, and she disapproves of it (TMS I.i.3.1: 16). Even the agent is involved in the change of perspectives, because if she wants to be approved of by the other, she needs to make her feelings similar to those of the spectator, and in order to do this she needs to adopt the spectator's perspective (TMS I.i.4.8: 22).

When the agent evaluates her own conduct, the process is similar to that applied in assessing others' conduct, because she imagines dividing herself into two persons: the agent whose conduct is judged and a fair and impartial judge informed of the relevant facts, labelled by Smith as '*impartial spectator*' (TMS III.1.6: 113). The impartial spectator is partly the introjection of real viewers that the individual has met in her life and partly the result of her reflection on that of which an impartial spectator should approve, namely that which is praiseworthy (TMS III.2.32: 131). The agent imagines being the spectator who is observing her at a distance and having the feelings that such a spectator would have when observing her conduct. The agent's conduct is justified only if, once she has exchanged places with the impartial spectator, she discovers that her feelings as an impartial spectator are similar to her feelings as an agent (TMS III.1.2: 109). In other words, the impartial spectator approves of the individual's conduct when the impartial spectator sympathises with the agent's emotions and motives for action. Hence, the impartial spectator is an imaginary device that enables the agent to consider her case, feelings, and motives more objectively, by distancing herself from them.

Since prudence is fundamentally the care of our own interests and given that the impartial spectator is the psychological device that makes us see everything that concerns us more objectively, Smithian prudence is limited by the impartial spectator's consideration that the agent is 'but one of the multitude, in no respect better than any other in it […]. It is from him [the impartial spectator] only that we learn the real littleness of ourselves' (TMS III.3.4: 137). Thus, through the acknowledgment of having no special status compared to others, the agent becomes able to lend her interests, needs, and passions a proportionate weight.

The *sense of justice* is the sense of impartiality based on the impartial spectator's judgments about that which concerns and interests us. In Smith's system, justice is the abstention from harming others and their happiness (TMS VI.ii.intro.2: 218). The sense of justice is a restraint of prudence, for prudence is the care of one's own interests, which, if pursued at the expense of others, may harm others by using them or disturbing their happiness (TMS II.iii.1.5: 95-96). The sense of justice requires of the prudent agent the consideration of others in the negative sense of not hurting them. This means that when the agent wants to pursue an object of prudence, this object and the way to reach it have to be assessed and approved by the impartial spectator. Thus, the sense of justice limits the individual's self-love, which is her natural preference for her own happiness (TMS II.ii.2.1: 82-83).

One of the two motives behind the agent's moderation of her passions when observed is the *desire to be praised* and esteemed, which is one of the main principles of human nature according to Smith (TMS VI.i.3: 212-213). Since spectators always feel weaker passions when exchanging places with the agent, they will sympathise with her – and thus praise and esteem her – only if she mitigates what she feels. The individual seeks the approbation of others because it is very pleasurable for her. Besides the desire to be praised, the second principle of human nature that motivates the agent to mitigate her passions is the *desire to be praiseworthy*, namely to be the natural and proper object of praise, even when nobody is observing her conduct (TMS III.2.1: 113-114). The individual is driven by this desire when she seeks the approbation of the impartial spectator (TMS III.3.4: 137), who is a more reliable mirror for the scrutiny of her conduct than real spectators. One of the objects of Smithian prudence is the credit among peers, and, since this credit depends on others' esteem, prudence is stimulated by the desire to be praised. In addition, since Smith's *'prudent man'* aims to establish a good reputation through the real possession of

knowledge and abilities, as I will show in the next section, even the desire to be praiseworthy encourages prudence.

If we consider the objects of prudence and the natural tendency to seek them, prudence would seem a self-interested attitude, which reflects how humans generally behave. The normative element that elevates prudence to the status of a virtue is *self-command*. Self-command is the ability to be the master of oneself, that is, the ability to exercise discipline over one's own feelings (TMS III.3.23: 145).[6] Self-command is what makes it possible to implement moral actions. In fact, Smith states,

> The man who acts according to the rules of perfect prudence, of strict justice, and of proper benevolence may be said to be perfectly virtuous. But the most perfect knowledge of those rules will not alone enable him to act in this manner: his own passions are very apt to mislead him [...]. The most perfect knowledge, if it is not supported by the most perfect self-command, will not always enable him to do his duty. (TMS VI.iii.1: 237)

In Smith's system, self-command is a sort of architectural virtue, serving as the basis of all virtues, and all virtues seem to derive their principal lustre from self-command (TMS VI.iii.11: 241). This is especially true for the virtue of prudence, since, while justice and beneficence are noble and splendid *per se* because of their objects (i.e., respectively, not hurting others and promoting their happiness), prudence is a virtue because it is supported by self-command. This is the first way in which self-command sustains prudence. The latter cannot be noble and splendid because of its object, which is one's own happiness, since this object is naturally pursued by individuals and thus does not require effort. The individual respects the restraint of prudence deriving from the sense of justice thanks to self-command, because it is through self-command that she refrains from harming others when satisfying her own needs (TMS VI.iii.1: 237).

The bond between prudence and self-command becomes more apparent when both virtues are viewed in light of Smith's moral psychology. Since the individual by nature needs other people's esteem and self-approbation (respectively, the objects of the desire to be praised and the desire to be praiseworthy), she is engaged in changing places with real spectators and with an ideal observer, in order to verify if she deserves esteem (sympathy). After the imaginary exchange of positions, the individual considers her conduct more objectively (sense of justice); however, when

she assesses a conduct of hers in which her personal interests are involved, her selfish passions set themselves against the sense of justice. Self-command intervenes at this point by limiting selfish passions and consequently making the individual pursue her interests more objectively, in accordance with the sense of justice. Thanks to self-command and the sense of justice, prudence is an *appropriate* care of oneself. Certainly, it descends from selfish passions (TMS I.ii.5.1: 40-41) and is originally self-centred, but regard for the sentiments of others enforces and directs the practice of prudence (TMS VI.concl.1: 262).

Once prudence is viewed against the background of Smith's moral psychology, Brown's thesis that prudence is not subject to the impartial spectator cannot be upheld. In fact, since prudence is restrained by the sense of justice – which is based on the impartial spectator's perspective – and since rank and reputation can be obtained through praiseworthy actions – which are those approved of by the impartial spectator – prudence requires the agent's shift of perspective with the impartial spectator and the dialogic interplay between the agent and the impartial spectator.

1.3 The portrait of the prudent man

In Part VI of the TMS, Smith also provides a detailed description of the prudent man, which is essential to better understand prudence. The prudent man pursues esteem and respect in two ways, as previously mentioned: by practising virtues and by acquiring material goods. In order to build a good reputation and to improve his material condition, the prudent man relies on his knowledge and abilities. So as to obtain other people's praise, he does not parade his abilities and does not simulate those that he lacks (TMS VI.i.7: 213). He is earnest and genuine in social relationships as well as in his profession (TMS VI.i.7-8: 213-214). Thus, he is moved, but not overcome, by the desire to be praised, neither is he ambitious (TMS VI.i.13: 215-216). The consequence of the latter trait is that the prudent man is not much interested in public life; however, he is not a misanthrope because he is very capable of real friendship. What he dislikes of public life is that it could interfere with the regularity of his temperance, the steadiness of his industry, and the strictness of his frugality (TMS VI.i.9: 214).

As the first and principal object of prudence is security (TMS VI.i.6: 213), the prudent man prefers to preserve the advantages that he already has rather than undertake new enterprises and adventures that can lead to greater advantages at some

degree of risk. The aversion to hazard makes the individual pursue the aim of bettering his condition in risk-free ways: improving knowledge and skill in his profession, being assiduous and industrious in his occupation, and frugal and parsimonious in all his expenses (TMS VI.i.6: 213). This slow but gradual betterment produces tranquillity in the prudent man's life (TMS VI.i.12: 215), which is a fundamental constituent of happiness that completely satisfies him.

Self-command sustains prudence in a second way: The prudent man's frugality, parsimony, and industry derive from sacrificing the enjoyment of a present pleasure for a probable greater pleasure in the future. In humans the desire for present enjoyment is more vivid and intense than the desire for future pleasure, but, in the prudent character, self-command curbs the desire for present enjoyment (TMS VI.i.11: 215). In this way, the agent sees the two pleasures from the same distance. Self-command renders the agent patient. Patience is the noblest component of prudence, according to Smith, because it is the part of prudence that requires most effort, and, therefore, it is not approved of but also applauded by the impartial spectator (*ibidem*).

Since prudence is the care of one's own business and well-being, the prudent man needs long-sightedness to foresee the effects of his actions and thus to undertake risk-free activities (TMS IV.2.6: 189; VI.i.12: 215). In the first edition of the TMS, long-sightedness and patience are indicated as the components of prudence. In fact, prudence is illustrated as the sum of self-command − in the sense of patience − and superior reasoning and understanding − characterised as the ability to discern the consequences of our actions and the advantage or detriment which is likely to result from them (TMS IV.2.6: 189).

Smith's portrait of the prudent man shows that this individual is completely unlike the self-interested and calculating agent who was attributed to Smith's model of agent[7] and has been considered responsible for the excesses of capitalism. Certainly, the prudent man is not Smith's heroic moral character, a role rather reserved to the man cultivating nobler virtues, such as beneficence. Yet the prudent man is an achievable type of moral character characterised by industriousness, steadiness, patience, and moderation.

1.4 Superior prudence

At the end of the first section of Part VI, Smith introduces a second type of prudence, called *superior prudence*. He moves on from inferior prudence to superior prudence while dealing with the sentiments that the first type of prudence excites in the spectators. This passage is fundamental, since in the Smithian system, virtues are defined on the basis of the reaction they cause in spectators. According to Smith, virtue is an excellence that is amiable and meritorious, namely it deserves, respectively, love and reward because it excites feelings of love and gratitude in the spectator (TMS III.1.7: 113). According to Smith, inferior prudence is regarded as respectable and, to some degree, amiable and agreeable, but 'it never is considered as one, either of the most endearing, or of the most ennobling of the virtues. It commands a certain cold esteem, but seems not entitled to any very ardent love or admiration' (TMS VI.i.14: 216).

On the contrary, superior prudence excites admiration from observers. Superior prudence maintains the same components of inferior prudence: patience, long-sightedness, aversion to hazards, and the adoption of the other's perspective. However, the objects of superior prudence are nobler and greater than the care of health, fortune, rank, and reputation of the individual (TMS VI.i.15: 216). Smith, though, does not specify what the objects of superior prudence are.

Moreover, superior prudence is constituted of virtues that are greater and more splendid than inferior prudence. Superior prudence is combined 'with valour, with extensive and strong benevolence, with a sacred regard to the rules of justice, and all these supported by a proper degree of self-command' (*ibidem*). When it approximates perfection, superior prudence supposes the most perfect propriety and the possession of all the intellectual and moral virtues. Smith does not provide a portrait of the man possessing superior prudence, but he states that this virtue characterises the great general, the great statesman, and the great legislator (*ibidem*). Superior prudence is an ideal goal for the average agent, and, in fact, it is typical of extraordinary people, as indicated by Smith's examples of individuals who, he argues, possess it. Smith describes superior prudence as the best head joined with the best heart, and as the most perfect wisdom combined with the most perfect virtue (TMS VI.i.15: 216). In this description, stress is placed on the composite nature of superior prudence. On the one hand, the head is its calculative side, which is shared with inferior prudence and consists of long-sightedness, patience and a basic consideration of others; on the other, the heart is its noble side, constituted of the virtues that are greater and more

splendid than inferior prudence and directed to a more active consideration of others. The head is committed only to not hurting others; the heart is committed also to promoting their happiness, thanks to benevolence and a reinforced sense of justice.

Finally, in Smith's system of ideas, superior prudence is desirable *per se* and does not need an economic justification, whereas inferior prudence is the only virtue with an economic justification, as I will show in the following section.

2. The hybrid nature of prudence and its worth for a moral and economic agent

Smith asserts that, although virtues are pursued for their own sake, they also bring about positive effects such as success and well-being. As success and well-being add additional beauty and propriety to virtues that are already naturally beautiful and appropriate (TMS VII.ii.2.13: 298-299),[8] Smith does not dwell on the usefulness of virtues, yet he makes an exception for inferior prudence. Inferior prudence is explicitly defined as the most useful virtue (TMS IV.2.1.6: 189). The reason for this has been mentioned in the portrait of the prudent man: long-sightedness, aversion to any hazard, and self-command in the form of patience allow the prudent man to slowly but constantly better his economic condition. The utility of prudence is illustrated partly in the TMS and partly in *An Inquiry into the Nature and Causes of the Wealth of Nations* (WN). In the TMS, aversion to hazard prevents the individual from undertaking risky activities, and patience and long-sightedness – which prompt the individual to refrain from a present pleasure for a greater one in the future – provide the basis for *parsimony* and *frugality* (TMS VI.i.12: 215; VI.i.6: 213; IV.2.1.8: 189). Smith further stresses the economic value of prudence when he says that while the proper reward of virtues such as justice and humanity is being praiseworthy, the proper rewards of prudence are wealth and external honours, which prudence seldom fails to acquire (TMS III.5.8: 166-167).

In the WN, Smith explains that parsimony accumulates capital, whereas prodigality and bad management diminish it (WN II.iii.13-14: 337).[9] Industriousness 'provides the subject [that] which parsimony accumulates. But whatever industry might acquire, if parsimony did not save and store up, the capital would never be the greater' (WN II.iii.16: 337). Parsimony is thus fundamental for the progress of opulence, or, in today's terms, economic growth, because it generates savings. These savings are the accumulated capital that then enters the economic cycle not as consumption – since the prudent man is modest and frugal – but as investment to

obtain profit, which in turn increases savings (WN II.iii.17-18: 337-338).[10] Parsimony is prompted by a fundamental principle of human nature: the *desire to better one's own condition*. Smith states that the easiest way to better one's own condition is to augment one's own fortune through savings (WN II.3.28: 341-342).[11] Wealth in itself has no moral worth, as it can be acquired rightly or wrongly (Calkins and Werhane 1998: 46), but if it is acquired rightly, it is the tangible evidence of prudence.

At the same time, prudence is useful for the practice of other-regarding virtues, such as beneficence and justice. In a condition of misery and adversity we are unable to take care of others, nor sympathise with them: 'Before we can feel much for others, we must in some measure be at ease ourselves' (TMS V.2.9: 205). In fact, in such a condition, our basic needs are not satisfied, they thus completely draw our attention and we need to control our own intense feelings coming from these basic needs (TMS III.3.37: 153).

Prudence, therefore, is in Smith's system a hybrid virtue because it is both a moral and an economic excellence. In economics prudence represents the starting point of economic growth and of the betterment of one's own condition (Campbell 1967: 573). In ethics, prudence is the condition of possibility to exercise the other virtues; thus, it is the irreplaceable starting point of moral development. Prudence is a norm of conduct that guides the individual's actions both in the moral and the economic spheres. Connecting these spheres of the agent's life, prudence represents one of the strongest common and cohesive points between the TMS and the WN. As Alec Macfie assesses, prudence is one of the soundest pieces of evidence against the so-called *Das Adam Smith Problem* (Macfie 1967: 73-75), namely the belief that the TMS is inconsistent with the WN because they describe two different agents: an altruist agent in the TMS and a selfish agent in the WN. As a consequence, prudence is also one of the strongest elements that demonstrate that Smith's prudent man is not the *homo oeconomicus* of mainstream economics.

3. Prudence and the tension between the self and the other and between partiality and impartiality

In order to understand the role carried out by prudence in solving the oppositions between the self and the other and between partiality and impartiality, a preliminary distinction between three concepts connected with the care of oneself is required. *Self-preservation*, *self-interest*, and *self-love* have often been misunderstood in Smith

scholarship. Stigler's and Hollander's identification of prudence with self-interest is a clear example of this misinterpretation. Smith does not provide a clear definition of these concepts, but a careful examination of the contexts of their appearance helps us to understand the differences between them.

3.1 Self-preservation

Self-preservation is an instinct that drives the individual to choose the factors that safeguard her preservation and that are chosen because they cause pleasurable sensations in her. Self-preservation also makes the individual withdraw from the things that are detrimental to her life and that excite painful sensations in her (TMS VI.i.1: 212; II.i.5.10: 77). In other words, self-preservation is the individual's natural tendency to take care of herself. Self-preservation shares with prudence the care of the individual's health.

3.2 Self-interest

In the TMS, self-interest is the pursuit of objects of private interest: social positions, important offices, and advantageous deals (TMS III.6.6-7: 172-173).[12] Such objects constitute the purposes of prudence (health, fortune, rank, and reputation); hence, prudence is provided with its objects by self-interest. This interpretation of mine is supported by two passages. The first passage is in Smith's discussion of the word 'justice', where he affirms that when it is said that we do not do justice to ourselves because we do not manifest enough attention to the objects of self-interest, the word 'justice' denotes a propriety of conduct towards ourselves that requires the virtue of prudence (TMS VII.ii.1.10: 270). The second passage is Smith's affirmation that 'The habits of oeconomy, industry, discretion, attention, and application of thought, are generally supposed to be cultivated from self-interested motives' (TMS VII.ii.3.16: 304), and these qualities are previously connected with patience, and thus prudence, by Smith (TMS IV.2.8: 189-190).

In sixteenth-century Western Europe, the word 'interest' meant concerns, advantages, and the totality of an individual's aspirations; it also contained an element of rationality or calculating efficiency that is needed to pursue aspirations (Hirschman 1977: 32). In England, towards the end of the seventeenth century, this term began to indicate economic advantage, acquiring the economic meaning that is present in the WN. This was a period of political stability and religious tolerance in which 'interest'

began to be discussed in terms of the economic aspirations of groups or individuals (Heath 2013: 244; Hirschman 1977: 36-37; Raab 1964, n. 6: 237). While the word 'interest' appears many times in the WN, 'self-interest' occurs only once (Force 2003: 1) – in the passage in which Smith writes that the inferior clergy of the Church of Rome is frugal and industrious for self-interested motives. This is because, since the oblations from people support the subsistence of the parochial clergy and the mendicant orders, this part of the clergy animates the devotion of people in order to obtain the means of subsistence (WN V.i.g.2: 789-790).

3.3 Self-love

Unlike self-preservation and self-interest, self-love is a concept that introduces a relation between the self and the other because Smith defines it as the natural preference that every one has for her own happiness over the happiness of others (TMS II.ii.2.1: 82-83). One's own happiness is not necessarily sought at the expense of others, but this can occur. Self-love is a preference that the individual has for herself from her own point of view, especially when she is struck by intense passions (TMS III.4.3: 157). Yet she does not adopt self-love as a justified principle for action, because the impartial and the real spectators do not approve of this motive, and without this approbation the action is not justified (TMS II.ii.2.1: 82-83). Since self-love is partial, it has to be curbed to a degree that can be shared − and thus approved of − by other people. More precisely, self-love is tolerated if others are not exploited or sacrificed to the individual's happiness, convenience or mood (TMS II.iii.1.5: 95-96). The spectators do not approve of excesses of self-love because the individual does not have a special status compared to that of others.

Smith does not explicitly distinguish self-love and self-interest, and in some places he seems to use them interchangeably. He uses them as synonyms when he speaks of the moral systems that deduce all the sentiments of humans from refinements of self-love or, a little further on, from 'self-interested considerations' (TMS I.i.2.1: 14),[13] and when he discusses Zeno's (TMS VII.ii.1.15-16: 272-273) and Francis Hutcheson's philosophy (TMS VII.ii.3.12-14, 16: 303-304). Some scholars assert that Smith uses 'self-love' and 'self-interest' interchangeably.[14] David Raphael and Macfie assume that 'self-love' and 'self-interest' were generally considered synonyms in the eighteenth century (Raphael and Macfie 1976: 22). However, in both the seventeenth and eighteenth centuries, these terms were not univocal (Heath 2013:

247). Smith mentions the entry on *amour-propre* appeared in the edition of *Encyclopédie* of 1755 and defined as a preferment for oneself, in a letter to the journal *Edinburgh Review*, thus indicating that he knew the meaning attributed to self-love by encyclopaedists (Smith 1980: 245).[15]

If every occurrence of 'self-love' and 'self-interest' is analysed, Smith seems to use them as synonyms when he describes the moral systems of other philosophers. Yet when he illustrates his own system, 'self-love' has a different nuance: There is always an explicit or implicit comparison between the self and the other (TMS II.ii.2.1: 82-83; II.iii.1.5: 96; III.3.4-6: 136-139). On the other hand, when Smith uses the term 'self-interest' there is no reference to the other. As Eugene Heath highlights, self-love is defined as a preference for the self because self-love supposes an ordering of values in which the self has priority (Heath 2013: 250), whereas self-interest does not assume this ordering. Since it is neither correct nor appropriate to always put the self at the top of the hierarchy of values – because it is a form of partiality – Smith characterises self-love as a delusion that prevents us from seeing the deformity of our conduct (TMS III.4.4, 6-7, 12: 157-159); thus, self-love is immoral. But since in self-interest there is no reference to other people, self-interest can be interpreted as amoral.

Certainly, Smith does not use 'self-interest' and 'self-love' interchangeably because of variety of expressions, as Robert Black contends (2006: 8), because when Smith dwells on self-love as a preference for oneself, he repeats this term many times in the same paragraph and in consecutive paragraphs without alternating it with 'self-interest' (TMS III.3.4-6: 136-139; III.4.12: 160-161).

In the WN, the term 'self-love' occurs twice in a context of individual commercial exchange that affects the well-being of individuals. Self-love is the individual's personal interest. In an exchange, an agent has to address herself to the other party's self-love, if she wants to obtain something from the other party: 'Whoever offers to another a bargain of any kind, proposes to do this. Give me that which I want, and you shall have this which you want' (WN I.ii.2: 26). Smith uses the expression 'private interests' in the WN to indicate the advantages of individuals or groups of individuals that do not concern themselves with society as a whole, but that nonetheless benefit the society by following their own interests and passions (WN IV.vii.88: 630; IV.ii.9: 456). These private interests can be pursued against the public, just as in the TMS self-love is pursued at the expense of others. In particular,

merchants and manufacturers are the usual figures that tend to deceive and oppress the public for their own interest.[16]

Hanley supports the distinction between self-love and self-interest in Smith's system of ideas, but he reads prudence, magnanimity, and beneficence as different forms of self-love, understood as the love of oneself that evolves from the most basic form (prudence defined as self-worth via recognition) (Hanley 2009: 104) to the most elevated form (beneficence defined as cultivation of the noblest part of the self) (*ibi*: 94).[17] However, there is no textual evidence in Smith's works that prudence, magnanimity, and beneficence are modifications of self-love, or that they build on one another. There is also no textual basis for the equation of prudence with a low form of self-love. Moreover, this reading overlooks the essential difference between prudence and beneficence: While the former promotes one's own happiness, the latter promotes the happiness of others (TMS VI.intro.1: 212; VI.concl.1: 262).[18] And although prudence shares the same purpose as self-love − along with self-interest and self-preservation − namely the care of oneself, prudence belongs to a different level of reality. In fact, self-preservation, self-interest, and self-love belong to the descriptive level of reality, since they describe how humans normally behave. On the contrary, even though prudence is based on self-preservation, self-interest, and self-love, it has a normative side because it represents a regulation of those natural tendencies, in the sense that the prudent agent takes care of herself under a constraint that she deliberately imposes on herself through self-command. Constrained by the sense of justice, in the TMS prudence modifies both self-interest and self-love, because it opens up self-interest to the comparison with the other and prevents self-love from always prioritising the self in the relation between the self and the other. In other words, compared to self-interest, prudence includes the consideration of others; compared to self-love, prudence is a type of consideration of others that aims to be impartial.

3.4 Prudence as a response to the opposition between the self and the other and between partiality and impartiality

According to several scholars of Smith, prudence as a virtue is problematic because of its irreducible self-centredness; being self-regarding is the essential trait of prudence, but it is precisely this trait that prevents prudence from opening up to the care of others (Lipka 2013: 9; Den Uyl 1991: 137). Thus, according to this

interpretation, prudence produces a tension between the care of oneself and the care of others.

However, as illustrated above, prudence is not self-interested but self-centred. Prudence includes a two-fold consideration of others: On the one hand, the individual cares about her reputation and her fortune because she strongly desires to be regarded by others and to be worthy of this regard; on the other, in order to obtain this regard from (real or imagined) others, she has to consider the effects of her actions on others, both in the sense of other people's reaction to her conduct and in the sense of the harm that she can cause others (Charlier 1996: 276-278). In fact, the prudent man accepts that he has duties towards others (C. Smith 2010: 141). Thus, prudence includes the consideration of others as subjective and objective genitive. The consideration of others as objective genitive is the basis of the care of others. If the inclusion of the other is not considered in the virtue of prudence, as Douglas Den Uyl sustains, then prudence is isolated from other-regarding virtues and in contrast with them. However, prudence is originally open to the other, on the basis of Smith's moral psychology, which comprises of the desires to be praised and to be praiseworthy, and the consequent adoption of other (real or hypothetical) people's perspective. It is the consideration of others in an originally self-centred virtue that makes the Smithian agent a consistent one, who does not give up her moral identity when taking economic decisions and *vice versa*. Prudence avoids the division of the individual into a moral agent and an economic agent that are independent of each other.

While the opposition between the self and the other can be solved by prudence if prudence is correctly understood in Smith's ethic and economic system, tension may arise at the level of the moral justification of actions. Den Uyl affirms that Smith has contributed to the decline of prudence by insisting that constraints of impartiality are necessary to justify a moral action (Den Uyl 1991: 124, 137-138). According to Den Uyl, the impartial spectator introduces an impersonal trait into Smith's ethics that competes with a virtue – prudence – that is personal and particular.

However, since Smith concedes that actions motivated by self-interest can be moral and includes them in the domain of praiseworthy actions, his system is not a form of impersonalism. In fact, in one passage Smith states that the human condition would be too harsh if the affections that influence our conduct were not defined as virtuous (TMS VII.ii.3.18: 305). Here he is most likely referring to self-interested

affections, because this passage criticises the system of Hutcheson, who does not attribute moral status to self-interested actions (TMS VII.ii.3.15-16: 304). Thus, the tension between particular interests and an impartial justification is present only if impartiality is equated with impersonality, as Den Uyl sustains when he says that the impartial spectator is no particular person at all (Den Uyl 1991: 138). Yet in the adoption of the impartial spectator's perspective, the self that distances itself from its own interests is the same self that has these interests, as Bernard Williams demonstrates (Williams 1985: 67). Therefore, even though the individual duplicates herself, she does not become an agent whose main interest is the harmony of all the interests of others; and if she forces herself to become a sort of impersonal spectator, she is alienated from herself, detaching herself from what constitutes her identity. Smith's impartiality is harmonised with some degree of partiality since the spectators concede that the agent pursues her happiness with more assiduity than that of others (TMS II.ii.2.1: 82-83). This assiduity, though, is always subject to the prohibition of using others for one's own purposes:

> In the race for wealth, and honours, and preferments, [the individual] may run as hard as he can, and strain every nerve and every muscle, in order to outstrip all his competitors. But if he should justle, or throw down any of them, the indulgence of the spectators is entirely at an end. It is a violation of fair play. (TMS II.ii.2.1: 83)

Smith's impartial spectator concedes what in contemporary debate is *first-order partiality*,[19] namely, the impartial spectator approves of the individual's special attention for her own interests. Smith's impartiality progressively expands to more people (from socially close to socially distant people) and requires contact with many spectators.[20] This circle expands towards an ideal that is out of reach − because we are limited creatures − but that can be progressively approximated. Since prudence is nothing but the care of one's own happiness under the constraint of not using others, it is this virtue that harmonises first-order partiality with impartiality and prevents the individual from being divided into a self that cares only for itself and a self that cares only for others.

Conclusion

In this paper I have discussed Smith's concept of prudence. My aim was to position and attribute the correct degree of importance to a virtue, prudence, that underpins Smith's system of ideas but that has been inaccurately characterised.

Firstly, I have cleaned up misinterpretations of this concept in Smith scholarship. I have analysed the concepts with which Smith's prudence is usually confused, namely self-preservation, self-interest, and self-love. I have compared them with prudence, and demonstrated that prudence, even though shares its objects with those concepts, unlike them, is normative and includes a consideration of others that aims to be impartial.

Secondly, I have explained why Smith's prudence is a crucial topic in his system of ideas. The reason is that prudence clarifies three central questions concerning the structure of Smith's system: the interaction existing between the moral and the economic agent; the relationship between the self and the other; and the dialectical tension between partiality and impartiality.

Thirdly, I have shown that Smith's prudence yields a fruitful contribution to present-day ethical theory, insofar as it suggests a route out of tensions arising from the three above-mentioned oppositions.

With regards to the opposition between the agent's economic and moral sides, this opposition is usually treated in economists' critical literature on Smith by conflating the prudent man with *homo oeconomicus*. In this paper, I have demonstrated that the two characters do coincide but in a different sense. This is because, in making any economic decision, Smith's prudent man takes his moral side into account, and is thus an economic agent and a moral agent simultaneously. In fact, in disagreement with both Bernard Mandeville and Hutcheson, Smith argues that a virtue can be self-regarding and produce economic advantages without ceasing to be a moral virtue.

Concerning the opposition between the self and the other, I have argued that Smithian prudence is a care for oneself that is limited from the outset by the consideration of others in the form of not using them. In fact, this form of consideration of others is the basis of the care for others and the bridge between prudence and other-regarding virtues. Hence, prudence is not opposed to the care of others.

Regarding the opposition between partiality and impartiality, I have shown that Smithian prudence is a norm of conduct harmonising first-order partiality connected with the agent's own interests with impartiality owed to other individuals. Thus,

within such a moral system, the agent never risks alienating herself from her identity when practising prudence.

Notes

1. Hobbes and Hume consider prudence as a virtue. However, Hobbes treats prudence as a personal − not moral − virtue that does not deserve praise, since it benefits only the person who possesses it (Gert 2010: 90); Hume defines prudence as a natural ability that can be considered a moral virtue, but he only briefly mentions it (Hume [1738-1740] 1928, book III, part iii, sec. 3: 606-611).
2. All passages of the TMS are from *The Theory of Moral Sentiments*, ed. D. D. Raphael and A. L. Macfie, in Adam Smith, *The Glasgow Edition of the Works and Correspondence of Adam Smith*, vol. I, Oxford: Clarendon Press.
3. For simplicity, I will call inferior prudence 'prudence', and use the expression 'inferior prudence' only to distinguish it from 'superior prudence'.
4. See also Skinner (1992: 153-154).
5. The sympathetic feeling is not the same feeling as the agent's, because the former is only imagined, thus it has a lower degree and it varies in kind (TMS I.i.4.8: 22). As Broadie clarifies, when sympathy occurs, the spectator that is observing an agent feeling anger or joy feels anger or joy sympathetically, that is she imagines being the agent and experiencing those feelings (Broadie 2006: 164).
6. See also TMS III.3.22-28: 145-148; VI.iii.1-22: 237-247.
7. See for example Stigler 1971.
8. See also TMS IV.2.1-4: 179-180.
9. All passages of the WN are from *An Inquiry into the Nature and Causes of the Wealth of Nations*, ed. R. H. Campbell and A. S. Skinner, in Adam Smith, *The Glasgow Edition of the Works and Correspondence of Adam Smith*, vol. II, Oxford: Clarendon Press.
10. See Taylor (1965: 114-117).
11. See also Raphael and Macfie (1976: 8-10).
12. With regards to this passage, Smith writes in paragraph 6 'objects of private interest' and in paragraph 7 'objects of self-interest', but these objects are the same, varying only in their importance: They can be ordinary, such as some shillings, or more extraordinary, such as a province, an estate or an extraordinary job.
13. See also TMS VII.iii.1.1: 312.
14. See for example Black (2006: 8); Coase (1976); Metha (2006); Muller (1993: 53-54); and Paganelli (2008).
15. This letter is contained in Smith's *Essays on Philosophical Subjects*. We do not know if Smith had read the entry on *intérêt* published in the edition of *Encyclopédie* of 1758. In this entry, the author, Jean-François Marquis de Saint-Lambert, describes the popularity of the doctrine of self-interest, mentioning its upholders, such as Nicole, Pascal and La Rochefoucauld, and says that only recently a small group of men, namely the encyclopaedists, had dissociated self-interest from vice and other bad meanings (Force 2003: 88-89).
16. See WN I.xi.p.10: 267; IV.iii.c.9-10: 493-494.
17. Even Force distinguishes self-love from self-interest, by stating that the former is an instinct of self-preservation (Force 2003: 1-2, 42-43); however, this is

arguable, because self-love is not the instinct of self-preservation, as we have seen.

18. Hanley admits that beneficence requires some degrees of other-regard, but he adds that beneficence is something more (*ibi*: 94). On the contrary, according to Smith, the very essence of beneficence is being other-regarding (VI.concl.1: 262).
19. See Jollimore (2014).
20. See Cremaschi (1984: 85); Forman-Barzilai (2010: 120-134) and Nieli (1986).

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